

COMPANY
PROFILEAFFILIATED COMPUTER
SERVICES, INC.

2828 North Haskell
P.O. Box 219002
Dallas, TX 75204
Phone: (214) 841-6111

Chairman & CEO:	Darwin Deason
President & COO:	Charles M. Young
Status:	Private Corporation
Total Employees:	1,400
Total Revenue:	\$176,900,000
Fiscal Year End:	6/30/92

Key Points

- Affiliated Computer Services' (ACS's) strategy is to remain a leader in full-service outsourcing and data processing by delivering quality products and services to the finance, government, and commercial markets.
- ACS has made a pronounced sales effort over the past 12 to 18 months and, as a result, has added significantly to its commercial account base.
- The purchase of EDC/DIS, an outsourcing firm based in New York City, extends ACS financial services presence into the Northeast.
- The aggressive acquisition of companies has prepared ACS to bid on larger contracts against its major competitors—Electronic Data Systems and IBM.

This Vendor Profile of Affiliated Computer Services, Inc., is reprinted with permission from INPUT, a worldwide provider of market research, analysis, and consulting services focused on the information services industry. It is offered as part of INPUT's U.S. Information Services Vendor Analysis Program. For more information about INPUT, see the last page of this report.

Company Description

ACS provides a full range of transaction processing and systems operations services to financial, commercial, and government institutions.

- Services include remote computer processing, electronic funds transfer, electronic benefits transfer, on-site facilities management, user help desk support, automated teller machine (ATM) support and maintenance, and financial and security services.
- ACS's ancillary services include business forms (through ACS's Precept division) and data storage, retrieval, disaster recovery, and contingency planning services (offered through Dataplex Corporation, a 33% owned affiliate of ACS).

ACS Investors, Inc. acts as the parent holding company for ACS.

In July 1992, ACS Investors formed a new subsidiary--ACS Capital--designed to make equity investments in corporations that outsource their data processing operations with ACS.

Company History

ACS was formed in July 1988 as Affiliated Computer Systems by Darwin Deason with the purchase of the electronic funds transfer (EFT) and data processing subsidiaries of a large Dallas-based financial institution.

- The acquisition included MoneyMaker, one of the largest off-premise ATM networks in the country; electronic benefits transfer services provided to government and health care agencies; and a data processing operation supporting Gibraltar Savings and First Texas Savings.

Acquisitions

ACS has since made the following acquisitions:

- Financial & Securities Services (formerly CIC/DISC), a New York-based provider of outsourcing services to commercial banks in the Northeast (October 1991)
- ACS National Systems (formerly CSX National Systems), the data processing unit of transportation company CSX Corporation (January 1991)
- A 33% equity interest in Dataplex Corporation, provider of information and image capture, data storage protection, and retrieval services to financial institutions (January 1990)

- OBS Companies, Inc., a San Francisco-based provider of mainframe utility processing services (November 1989)
- Computab, a Honolulu-based processing company (June 1989)
- First Independent Computers, Inc., an Abilene-based credit card processing company (February 1989)
- Electronic Data Management Corporation, a Dallas-based provider of custom applications software and interactive services to commercial airlines, long distance carriers, and operator-assisted telephony industries (December 1988)
- MICR Specialty of Houston, provider of back-office support services to banks and thrifts in the Southwest (November 1988)

In order to streamline its operations, during 1991 ACS consolidated its various acquisitions/subsidiaries under a single operating unit--Affiliated Computer Services, Inc.

Financials

ACS's revenue for the fiscal year ending June 30, 1992 reached \$176.9 million, a 13% increase over fiscal 1991 revenue of \$157.2 million. In the four-year summary that follows, results do not include the operations of Dataplex Corporation (which is 33% owned by ACS):

**AFFILIATED COMPUTER SERVICES, INC.
FOUR-YEAR REVENUE SUMMARY
(\$ millions)**

ITEM	FISCAL YEAR			
	6/92	6/91	6/90	6/89
Revenue	\$176.9	\$157.2	\$125.2	\$72.5
Percent increase from previous year	13%	26%	73%	N/A

Competitors

ACS's major competitors include IBM and Electronic Data Systems.

Key Products and Services

Approximately 45% of ACS's revenue is derived from processing services and 45% from systems operations (outsourcing). The remaining 10% of revenue is derived from shared hub satellite transmission services, business forms and supplies, and government contracts.

Financial Processing Services:

ACS provides a range of processing services in support of front- and back-office banking, electronic funds transfer, and retail point-of-sale applications.

- Through Financial and Securities Services (formerly CIC/DISC), ACS provides corporate reorganization, escheatment and Chapter 11 processing, transfer agent services, mutual fund sales and fulfillment, and partnership/investor services.
- ACS also operates the MoneyMaker network, the largest off-premise ATM network in the U.S. MoneyMaker handles over five million transactions per month at over 1,000 ATM locations throughout the Southwest.

ACS's Back Office Support Services (BOSS) are provided to financial institutions and include bulk filing, statement preparation, microfilming, item capturing, lockbox and remittance processing, proof encoding and deposit services, and return-item processing.

ACS also offers data storage, retrieval, disaster recovery, and contingency planning services through Dataplex Corporation.

EFT services include ATM processing, transaction authorization and switching, card production and management, on-line monitoring, marketing support, training, strategic planning, equipment and terminal maintenance, regional and national interchange access, reporting and settlement, and gateway services.

- ACS has designed and delivered systems in support of airline and event ticketing and product promotions.
- ACS currently provides full-service EFT processing to approximately 350 financial institutions in the Southwest, with customers ranging in size from \$2 million to \$9 billion in assets.

Retail point-of-sale (POS) services include credit and debit authorization, electronic draft capture, ACH debit, check verification, and reporting and settlement.

ACS's platforms include *Advantage*, *Dimension 4000*, and *Premier Platform*.

- *Advantage* is ACS's on-line processing service for banks.
 - *Advantage* supports a range of applications, including integrated deposits, certificates of deposit, IRAs, installment loans, commercial loans, retail lending, mortgage loans, PC teller support, customer service, customer information files, and general ledger.
 - *Advantage* is currently being used by 200 banks, each with over \$2 million in assets.
- The *Dimension 4000* product line provides customized banking solutions using Kirchman Corporation's *Dimension* product line. Currently, *Dimension 4000* is processing banks of \$20 million in assets to multibank holding companies with several billion in assets.
- *Premier Platform* is a multivendor, "big bank" processing platform that uses Hogan, Shaw, American Management Systems, and D&B Software Services software to provide a Customer Information System integrated with checking, money market, statement/passbook savings, certificates of deposit, IRAs, installment loans, debit card, line-of-credit, collection, and general ledger applications.

ACS also provides field maintenance services nationally for ATM devices, including the MoneyMaker network's ATMs.

Electronic Benefits Transfer Services:

ACS provides full-service, on-line electronic benefits transfer (EBT) processing services for government agency programs such as Food Stamps, Aid to Families with Dependent Children, Unemployment Insurance, Medicaid, Child Support, Social Security, Supplemental Security Income, and General Public Assistance.

ACCEPT, ACS's electronic benefit distribution system, permits electronic delivery of cash and medical services benefits through ATMs, POS and debit/credit terminals, or by direct deposit into individual accounts.

- Benefit recipients are issued a permanent eligibility card with a personal identification number for security, which is used at POS or ATM terminals.

- ACCEPT also allows the benefits providers to collect information on how funds are used by the recipient. Benefits are tracked per recipient.

The ACCEPT PLUS program, announced in June 1990, incorporates the placement of electronic terminals at retail checkout lanes in conjunction with consumer payment transaction processing and settlement services. The program supports both commercial services and EBT transactions.

- The program includes access to all major authorization data bases, redundant communications and processing systems, and nationwide access services and support for a full range of terminals.

Commercial Systems Operations and Utility Processing:

ACS currently provides systems operations and utility processing services to over 500 clients. ACS also markets shared hub satellite transmission services, designed to replace multidrop and point-to-point hard-line networks.

- Services for these commercial clients include facilities management, application support, production telephony and communications services, and data processing services.

Industry Markets

ACS's revenue is derived approximately as follows:

Financial	45%
Commercial	45%
Other	<u>10%</u>
	100%

Geographic Markets

ACS, headquartered in Dallas, has offices nationwide in Arizona, California, Colorado, Florida, Georgia, Hawaii, Louisiana, Maryland, Massachusetts, New York, Oklahoma, Tennessee, Texas, and Virginia.

Computer Hardware

ACS has six host centers in Dallas and Waco (TX), New York (NY), Santa Clara (CA), Boston (MA), and Honolulu (HI). Additional remote centers are in Austin, Houston, and San Antonio (TX) and New Orleans (LA).

The various centers have the following systems installed:

- 1 IBM 3090-600S
- 1 IBM AS/400
- 1 HP 3000
- 1 Amdahl 5860
- 1 Amdahl 5890-600E
- 1 Amdahl 5995-3550
- 8 Tandem VLXs
- 3 Tandem TXPs
- 14 Tandem CLXs
- DEC systems

About INPUT

INPUT is a worldwide consulting and market research firm uniquely focused on the information technology services and software markets. Executives in many technically advanced companies in North America, Europe, and Japan rely on INPUT for data, objective analysis, and insightful opinions to support their business plans, market assessments, and technology directions. By leveraging INPUT's considerable knowledge and expertise, clients make informed decisions more quickly, and benefit by saving on the cost of internal research.

Since 1974, INPUT has compiled the most extensive research base available on the worldwide information services market and its key segments, providing detailed market forecasts, vertical industry sector analysis and forecasts and analysis of vendor strategies and products. INPUT delivers specific expertise in the fast changing areas of outsourcing, systems integration, EDI/electronic commerce, software development/CASE, and on the impact of downsizing.

Consulting services are provided by more than 50 professionals in major international business centers. Clients retain INPUT for custom consulting/proprietary research, subscription-based continuous advisory programs, merger/acquisition analysis and detailed studies of U.S. federal government IT procurements.

Most clients have retained INPUT continuously for a number of years, providing testimony to INPUT's consistent delivery of high-value solutions to complex business problems. To find out how your company can leverage INPUT's market knowledge and experience to gain a competitive edge, call us today.

INPUT • 1280 Villa Street • Mountain View, CA 94041-1194 • Tel. (415)961-3300 • Fax (415) 961-3966



COMPANY PROFILE

AFFILIATED COMPUTER SERVICES, INC.

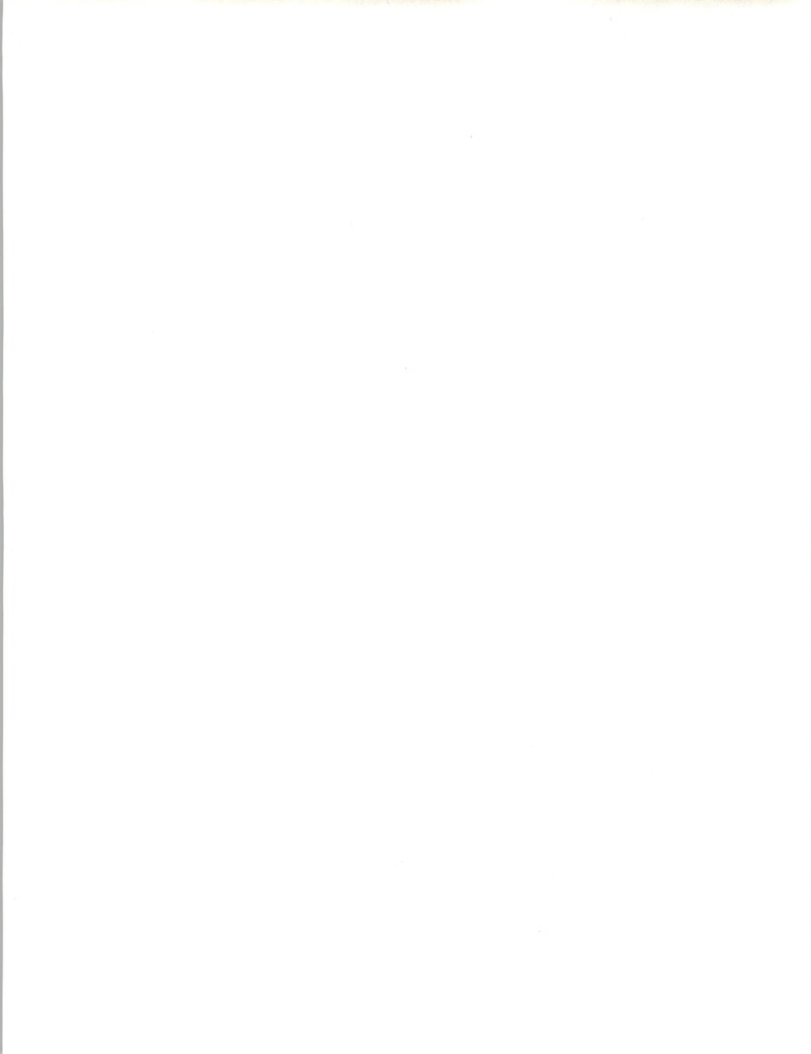
2828 North Haskell
P.O. Box 219002
Dallas, TX 75204
Phone: (214) 841-6111

Chairman & CEO:	Darwin Deason
President & COO:	Charles M. Young
Status:	Private Corporation
Total Employees:	1,400
Total Revenue:	\$176,900,000
Fiscal Year End:	6/30/92

Key Points

- Affiliated Computer Services' (ACS's) strategy is to remain a leader in full-service outsourcing and data processing by delivering quality products and services to the finance, government, and commercial markets.
- ACS has made a pronounced sales effort over the past 12 to 18 months and, as a result, has added significantly to its commercial account list.
- The purchase of CIC/DISC, an outsourcing firm based in New York City, extends ACS's financial services presence into the Northeast.
- The aggressive acquisition of companies has prepared ACS to bid on larger contracts against its major competitors--Electronic Data Systems and IBM.

This Vendor Profile of Affiliated Computer Services, Inc., is reprinted with permission from INPUT, a worldwide provider of market research, analysis, and consulting services focused on the information services industry. It is offered as part of INPUT's U.S. Information Services Vendor Analysis Program. For more information about INPUT, see the last page of this report



Company Description

ACS provides a full range of transaction processing and systems operations services to financial, commercial, and government institutions.

- Services include remote computer processing, electronic funds transfer, electronic benefits transfer, on-site facilities management, user help desk support, automated teller machine (ATM) support and maintenance, and financial and security services.
- ACS's ancillary services include business forms (through ACS's Precept division) and data storage, retrieval, disaster recovery, and contingency planning services (offered through Dataplex Corporation, a 33% owned affiliate of ACS).

ACS Investors, Inc. acts as the parent holding company for ACS.

In July 1992, ACS Investors formed a new subsidiary--ACS Capital--designed to make equity investments in corporations that outsource their data processing operations with ACS.

Company History

ACS was formed in July 1988 as Affiliated Computer Systems by Darwin Deason with the purchase of the electronic funds transfer (EFT) and data processing subsidiaries of a large Dallas-based financial institution.

- The acquisition included MoneyMaker, one of the largest off-premise ATM networks in the country; electronic benefits transfer services provided to government and health care agencies; and a data processing operation supporting Gibraltar Savings and First Texas Savings.

Acquisitions

ACS has since made the following acquisitions:

- Financial & Securities Services (formerly CIC/DISC), a New York-based provider of outsourcing services to commercial banks in the Northeast (October 1991)
- ACS National Systems (formerly CSX National Systems), the data processing unit of transportation company CSX Corporation (January 1991)
- A 33% equity interest in Dataplex Corporation, provider of information and image capture, data storage protection, and retrieval services to financial institutions (January 1990)

- OBS Companies, Inc., a San Francisco-based provider of mainframe utility processing services (November 1989)
- Computab, a Honolulu-based processing company (June 1989)
- First Independent Computers, Inc., an Abilene-based credit card processing company (February 1989)
- Electronic Data Management Corporation, a Dallas-based provider of custom applications software and interactive services to commercial airlines, long distance carriers, and operator-assisted telephony industries (December 1988)
- MICR Specialty of Houston, provider of back-office support services to banks and thrifts in the Southwest (November 1988)

In order to streamline its operations, during 1991 ACS consolidated its various acquisitions/subsidiaries under a single operating unit--Affiliated Computer Services, Inc.

Financials

ACS's revenue for the fiscal year ending June 30, 1992 reached \$176.9 million, a 13% increase over fiscal 1991 revenue of \$157.2 million. In the four-year summary that follows, results do not include the operations of Dataplex Corporation (which is 33% owned by ACS):

AFFILIATED COMPUTER SERVICES, INC. FOUR-YEAR REVENUE SUMMARY (\$ millions)

ITEM	FISCAL YEAR			
	6/92	6/91	6/90	6/89
Revenue	\$176.9	\$157.2	\$125.2	\$72.5
• Percent increase from previous year	13%	26%	73%	N/A

Competitors

ACS's major competitors include IBM and Electronic Data Systems.

Key Products and Services

Approximately 45% of ACS's revenue is derived from processing services and 45% from systems operations (outsourcing). The remaining 10% of revenue is derived from shared hub satellite transmission services, business forms and supplies, and government contracts.

Financial Processing Services:

ACS provides a range of processing services in support of front- and back-office banking, electronic funds transfer, and retail point-of-sale applications.

- Through Financial and Securities Services (formerly CIC/DISC), ACS provides corporate reorganization, escheatment and Chapter 11 processing, transfer agent services, mutual fund sales and fulfillment, and partnership/investor services.
- ACS also operates the MoneyMaker network, the largest off-premise ATM network in the U.S. MoneyMaker handles over five million transactions per month at over 1,000 ATM locations throughout the Southwest.

ACS's Back Office Support Services (BOSS) are provided to financial institutions and include bulk filing, statement preparation, microfilming, item capturing, lockbox and remittance processing, proof encoding and deposit services, and return-item processing.

ACS also offers data storage, retrieval, disaster recovery, and contingency planning services through Dataplex Corporation.

EFT services include ATM processing, transaction authorization and switching, card production and management, on-line monitoring, marketing support, training, strategic planning, equipment and terminal maintenance, regional and national interchange access, reporting and settlement, and gateway services.

- ACS has designed and delivered systems in support of airline and event ticketing and product promotions.
- ACS currently provides full-service EFT processing to approximately 350 financial institutions in the Southwest, with customers ranging in size from \$2 million to \$9 billion in assets.

Retail point-of-sale (POS) services include credit and debit authorization, electronic draft capture, ACH debit, check verification, and reporting and settlement.

ACS's platforms include *Advantage*, *Dimension 4000*, and *Premier Platform*.

- *Advantage* is ACS's on-line processing service for banks.
 - *Advantage* supports a range of applications, including integrated deposits, certificates of deposit, IRAs, installment loans, commercial loans, retail lending, mortgage loans, PC teller support, customer service, customer information files, and general ledger.
 - *Advantage* is currently being used by 200 banks, each with over \$2 million in assets.
- The *Dimension 4000* product line provides customized banking solutions using Kirchman Corporation's Dimension product line. Currently, *Dimension 4000* is processing banks of \$20 million in assets to multibank holding companies with several billion in assets.
- *Premier Platform* is a multivendor, "big bank" processing platform that uses Hogan, Shaw, American Management Systems, and D&B Software Services software to provide a Customer Information System integrated with checking, money market, statement/passbook savings, certificates of deposit, IRAs, installment loans, debit card, line-of-credit, collection, and general ledger applications.

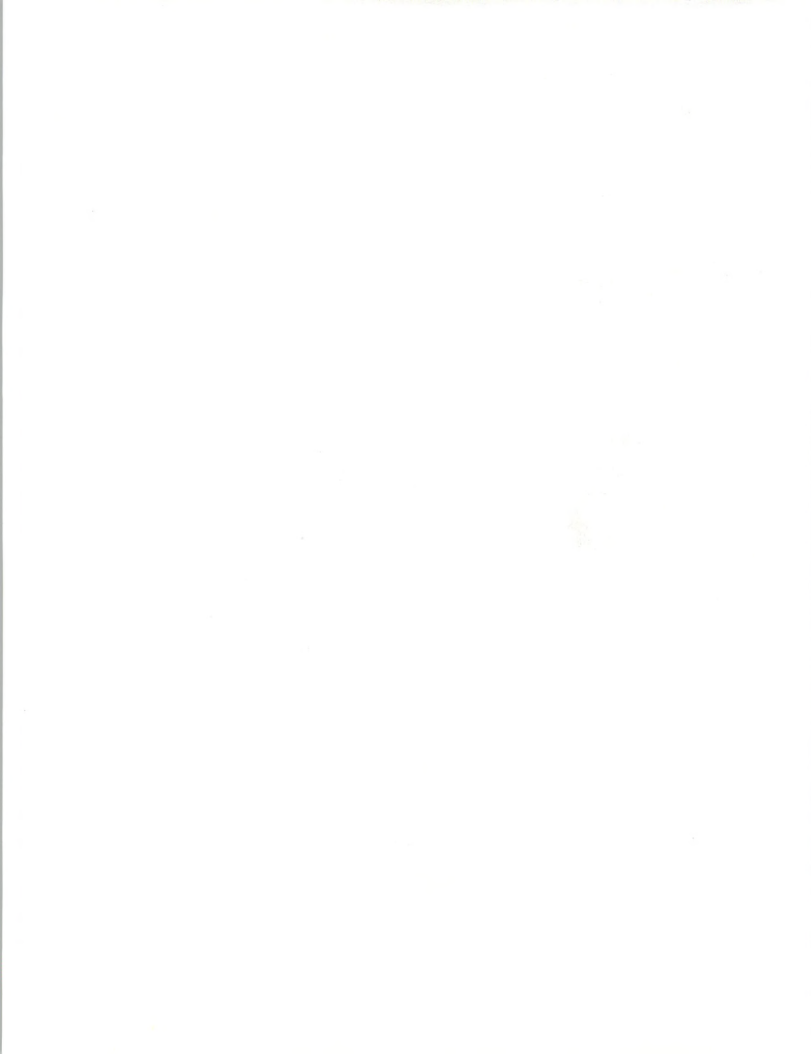
ACS also provides field maintenance services nationally for ATM devices, including the MoneyMaker network's ATMs.

Electronic Benefits Transfer Services:

ACS provides full-service, on-line electronic benefits transfer (EBT) processing services for government agency programs such as Food Stamps, Aid to Families with Dependent Children, Unemployment Insurance, Medicaid, Child Support, Social Security, Supplemental Security Income, and General Public Assistance.

ACCEPT, ACS's electronic benefit distribution system, permits electronic delivery of cash and medical services benefits through ATMs, POS and debit/credit terminals, or by direct deposit into individual accounts.

- Benefit recipients are issued a permanent eligibility card with a personal identification number for security, which is used at POS or ATM terminals.



- ACCEPT also allows the benefits providers to collect information on how funds are used by the recipient. Benefits are tracked per recipient.

The ACCEPT PLUS program, announced in June 1990, incorporates the placement of electronic terminals at retail checkout lanes in conjunction with consumer payment transaction processing and settlement services. The program supports both commercial services and EBT transactions.

- The program includes access to all major authorization data bases, redundant communications and processing systems, and nationwide access services and support for a full range of terminals.

Commercial Systems Operations and Utility Processing:

ACS currently provides systems operations and utility processing services to over 500 clients. ACS also markets shared hub satellite transmission services, designed to replace multidrop and point-to-point hard-line networks.

- Services for these commercial clients include facilities management, application support, production telephony and communications services, and data processing services.

Industry Markets

ACS's revenue is derived approximately as follows:

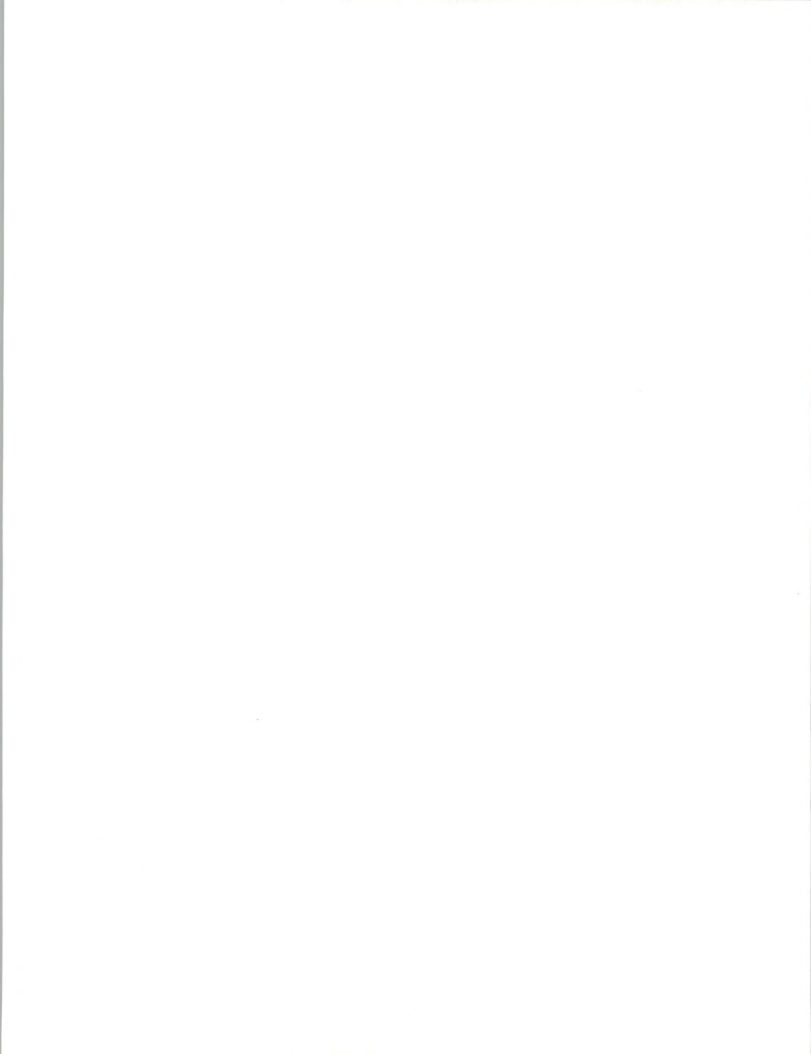
Financial	45%
Commercial	45%
Other	10%
	100%

Geographic Markets

ACS, headquartered in Dallas, has offices nationwide in Arizona, California, Colorado, Florida, Georgia, Hawaii, Louisiana, Maryland, Massachusetts, New York, Oklahoma, Tennessee, Texas, and Virginia.

Computer Hardware

ACS has six host centers in Dallas and Waco (TX), New York (NY), Santa Clara (CA), Boston (MA), and Honolulu (HI). Additional remote centers are in Austin, Houston, and San Antonio (TX) and New Orleans (LA).



The various centers have the following systems installed:

- 1 IBM 3090-600S
- 1 IBM AS/400
- 1 HP 3000
- 1 Amdahl 5860
- 1 Amdahl 5890-600E
- 1 Amdahl 5995-3550
- 8 Tandem VLXs
- 3 Tandem TXPs
- 14 Tandem CLXs
- DEC systems

About INPUT

INPUT is a worldwide consulting and market research firm uniquely focused on the information technology services and software markets. Executives in many technically advanced companies in North America, Europe, and Japan rely on INPUT for data, objective analysis, and insightful opinions to support their business plans, market assessments, and technology directions. By leveraging INPUT's considerable knowledge and expertise, clients make informed decisions more quickly, and benefit by saving on the cost of internal research.

Since 1974, INPUT has compiled the most extensive research base available on the worldwide information services market and its key segments, providing detailed market forecasts, vertical industry sector analysis and forecasts and analysis of vendor strategies and products. INPUT delivers specific expertise in the fast changing areas of outsourcing, systems integration, EDI/electronic commerce, software development/CASE, and on the impact of downsizing.

Consulting services are provided by more than 50 professionals in major international business centers. Clients retain INPUT for custom consulting/proprietary research, subscription-based continuous advisory programs, merger/acquisition analysis and detailed studies of U.S. federal government IT procurements.

Most clients have retained INPUT continuously for a number of years, providing testimony to INPUT's consistent delivery of high-value solutions to complex business problems. To find out how your company can leverage INPUT's market knowledge and experience to gain a competitive edge, call us today.

INPUT • 1280 Villa Street • Mountain View, CA 94041-1194 • Tel. (415)961-3300 • Fax (415) 961-3966

